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APPLICATION OF SOUTHWESTERN §
ELECTRIC POWER COMPANY FOR §
AUTHORITY TO CHANGE RATES §
BEFORE THE STATE OFFICE
OF
ADMINISTRATIVE HEARINGS

**SOUTHWESTERN ELECTRIC POWER COMPANY'S SUPPLEMENTAL RESPONSE
TO OFFICE OF PUBLIC UTILITY COUNSEL'S FIRST REQUEST FOR
INFORMATION**

JANUARY 11, 2021

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**SOUTHWESTERN ELECTRIC POWER COMPANY'S SUPPLEMENTAL RESPONSE
TO OFFICE OF PUBLIC UTILITY COUNSEL'S FIRST REQUEST FOR
INFORMATION**

Question No. OPUC 1-2:

Please refer to the Direct Testimony of Mr. Thomas P. Brice, pages 6 and 7, and the attached workpapers. Please provide copies of any documentation that relates to discussions, presentations or other communications related to the \$140 million capital investment in the Oxbow Mining area. Please also include documentation that shows the need for the Oxbow Mining upgrade for reliable delivery of lignite to Dolet Hills or for extending the useful life of the power station.

Response No. OPUC 1-2:

Dolet Hills Lignite Company did not incur \$140 million of capital investment to upgrade delivery of lignite.

Supplemental Response No. OPUC 1-2:

SWEPCO notes that the referenced pages of Mr. Brice's Direct Testimony addresses the circumstances that led to a change in the economically useful life of the Dolet Hills Power Station and SWEPCO's proposal to mitigate the rate impact of that change in useful life. Nowhere in Mr. Brice's testimony or workpapers is a "\$140 million capital investment in the Oxbow Mining area" discussed. Oxbow mine transition costs are addressed in SWEPCO's response to OPUC RFI 5-3. In that response and in this response SWEPCO notes that capital investments in the mine are included in the cost billed by Dolet Hills Lignite Company (DHLC) to SWEPCO for lignite and, therefore, included in fuel costs as the lignite is burned to produce electricity. These costs are not an element of SWEPCO's base rates.

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